



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

January 9, 2006

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVAL OF FUNDS FOR PENNY LANE CENTERS TO EXPAND SUPPORTIVE
SERVICES AT AN EMANCIPATED FOSTER YOUTH TRANSITIONAL HOUSING
PROGRAM AND TO CONSTRUCT THE NEW ANTELOPE VALLEY FAMILY
CENTER IN THE CITY OF LANCASTER (5)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Acting as the responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Community Development Commission (Commission) has considered the attached Initial Study/Mitigated Negative Declaration (IS/MND), including any public comments, for the Penny Lane construction project, prepared by the City of Lancaster as lead agency, and find that the mitigation measures identified in the IS/MND are adequate to avoid or reduce potential environmental impacts to below significant levels.
2. Authorize the Executive Director of the Commission to transfer to the Los Angeles Homeless Services Authority (LAHSA) up to \$200,000 in County general funds (CGF) allocated to the Fifth Supervisorial District, following receipt of said funds from the Chief Administrative Office (CAO), which will then be granted to the Penny Lane Centers' Transitional Housing Program (THP) for supportive services for emancipated foster youth who are homeless or at-risk of homelessness, to be administered pursuant to an Interagency Agreement between the Commission and LAHSA.

3. Authorize the Executive Director to draft and execute a Grant Agreement with Penny Lane Centers, in a total amount of up to \$200,000 in CGF allocated to the Fifth Supervisorial District, to fund new construction activities for the new Antelope Valley Family Center (AVFC) that serves persons in the Antelope Valley who are homeless or at-risk of homelessness to be effective following receipt of \$200,000 in CGF from the CAO, approval of the Grant Agreement as to form by County Counsel, and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of the recommended action is to transfer to LAHSA CGF, which will then be granted to the Penny Lane Centers, for supportive services for its THP for emancipated foster youth who are homeless or at-risk of homelessness. The recommended action will also authorize the Commission to enter into a Grant Agreement with the Penny Lane Centers for the use of CGF to fund a portion of the costs to construct its AVFC for persons who are homeless or at-risk of homelessness.

FISCAL IMPACT/FINANCING:

The actions described herein will be funded with a portion of the \$20,000,000 in CGF approved by the Board of Supervisors on June 20, 2005 to fund the construction and/or renovation of year-round emergency shelters and enhancements to the homeless support system.

On November 22, 2005, the Board of Supervisors approved allocating \$3,600,000 in CGF to each Supervisorial District, with a ten percent administrative fee in the total amount of \$2,000,000 reserved for the Commission. LAHSA will receive administrative fees for supportive services grant funds transferred to and administered by LAHSA, the amount of which is determined by the Commission on a project-by-project basis.

The proposed transfer of funds from the Commission to LAHSA and the Grant Agreement between the Commission and Penny Lane includes a total of \$400,000 in CGF allocated to the Fifth Supervisorial District. The Commission will transfer \$200,000 in CGF to LAHSA. LAHSA will then transfer the funds to Penny Lane for supportive services for 15 beds of transitional shelter under the THP for emancipated foster youth who are homeless or at-risk of homelessness at a cost of approximately \$200,000 for one year.

The Grant Agreement between the Commission and the Penny Lane will provide \$200,000 in CGF for costs associated with the AVFC through new construction to

accommodate a significant expansion in services for persons who are homeless or at-risk of homelessness.

The transfer of funds to LAHSA will be effective following the Commission's receipt of CGF from the CAO and approval as to form by County Counsel and execution by all parties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In order to address the staggering numbers of homeless individuals and families and the corresponding critical shortage of shelter beds in Los Angeles County, on June 20, 2005, the Board of Supervisors approved allocation of \$20,000,000 for the construction and/or renovation of year-round emergency shelters and enhancements to the homeless support system.

On November 22, 2005, the Board of Supervisors directed the Commission to administer the funding and to direct oversight of all of the projects. The Board also instituted a method by which each Board Office selects recipients of CGF based on agency experience and the need for homeless services in the community, among other considerations.

On May 9, 2006, your Board authorized the Commission to negotiate and enter into an Interagency Agreement with LAHSA for the distribution of CGF and to amend the Interagency Agreement to incorporate additional projects proposed by each Supervisorial District. The Interagency Agreement authorizes the Commission to transfer to LAHSA CGF for operating and supportive services, which are then granted to homeless service providers. The Commission was also authorized to transfer administrative fees to LAHSA on a project-by-project basis.

The current projects are Penny Lane's AVFC and THP, located in the City of Lancaster. The Interagency Agreement between the Commission and LAHSA will be amended to allocate \$200,000 in CGF for the cost of supportive services for the THP, for which LAHSA will enter into a grant agreement with Penny Lane. This allocation will permit the THP to operate 15 beds for emancipated foster youth who are homeless or at-risk of homelessness at the site in Lancaster.

The Grant Agreement between the Commission and Penny Lane will allocate \$200,000 for construction of a new and expanded AVFC facility. A new 30,000 square foot facility is being constructed to house programs that serve persons who are homeless or at-risk of homelessness, most of whom are mentally ill, with on-site services such as a special

Honorable Board of Commissioners
January 9, 2007
Page 4

education school, outpatient mental health services, and transitional housing for homeless emancipated foster youth.

A complete description of the AVFC and THP are provided in Attachment A.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.35 (a)(3)(iii), these actions are excluded from the National Environmental Policy Act (NEPA), because it involves activities that will not alter existing environmental conditions. The actions are exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because they involve negligible or no expansion of use beyond what currently exists and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECTS:

Approval of these actions will allow for the transfer of CGF to LAHSA for administration of homeless supportive services, by allowing continued operation of Penny Lane's transitional shelter beds for homeless and at-risk emancipated foster youth in the County, and enables Penny Lane to expand its services through new construction of the AVFC.

Respectfully submitted,



 CARLOS JACKSON
Executive Director

Attachment: 1

ATTACHMENT A

PENNY LANE CENTERS EMANCIPATED FOSTER YOUTH TRANSITIONAL HOUSING PROGRAM AND NEW PENNY LANE ANTELOPE VALLEY FAMILY CENTER

Penny Lane Centers is a nonprofit organization that has been serving Los Angeles County's vulnerable children, youth, and families since 1965. It currently provides 185 beds in the Antelope Valley and San Fernando Valley through an array of housing options (transitional beds, group homes, permanent housing and residential care). Penny Lane's services include residential treatment, foster care, adoption services, outpatient mental health services and Transitional Housing for Emancipated Foster Youth. Each year, Penny Lane and its programs serve 2000 individuals, approximately 15% of which are homeless or at risk of being homeless and 98% are mentally ill. Currently all of the above mentioned services are in different locations throughout Los Angeles County.

Penny Lane's Transitional Housing Program (THP) for Emancipated Foster Youth with mental illness and Families with young children, provides housing in a recently opened 15-bed site in Lancaster. Penny Lane's program supports young adults who have grown up in group homes or foster care, who have no family to return to when they emancipate at age 18, and/or who would otherwise be homeless. The THP serves a population that is at risk of homelessness and all have a mental health diagnosis. In addition to independent living and job skills training, the program provides a clean, furnished apartment and emotional and academic support for young adults who have no family support system. The program is designed to provide housing for up to two years with a resident to staff ratio of 6:1.

Penny Lane is also in the midst of a significant expansion to provide more beds and services in the Antelope Valley. The new 30,000 square foot Penny Lane Antelope Valley Family Center (AVFC) is currently in the predevelopment phase of construction and will be located at Division Street and Avenue K in Lancaster, CA. The AVFC will offer a variety of services specifically designed for very vulnerable families with children, foster youth and emancipating youth who are at high risk for homelessness all under one roof and will be the only project of its kind in the Antelope Valley. It will be a state-of-the-art facility that will strengthen Penny Lane's capacity to provide more supportive services in the region and will dedicate 15 new beds to homeless emancipated foster youth.

Allocation of \$200,000 of CGF for the AVFC will allow Penny Lane to complete construction of the Center that will service the target population of homeless youth, emancipated youth and families with young children.

Transitional Housing Services	\$ 200,000
AVFC Construction Funds	\$ 200,000
Total request	\$ 400,000